

State Pharmaceutical Assistance Transition Commission



Public Meeting
Washington, DC
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Overarching Principles

- Assure that SPAP members have uninterrupted access to medications
- Create a framework that makes it easy for SPAPs to coordinate with PDP sponsors
 - Encourage state flexibility and choice
 - Minimize cost shifting to SPAPs
- Seamless coordination of benefits
- Real-time information exchange



Overarching Principles (cont.)

- Minimize paperwork and maximize technology
- Apply lessons learned from implementation of the Medicare drug discount card
- Acknowledge the enormous challenge of public education and marketing and the role for SPAPs



Commission Recommendations

- Eligibility and Enrollment
- Drug Coverage and Service Delivery
- Coordination of Benefits

Eligibility and Enrollment





Eligibility Determinations

- CMS and SSA should explicitly state that SPAPs are permitted to make eligibility determinations for subsidy assistance for low-income persons who apply for benefits through the SPAP
- The SSA should allow coordination of the eligibility determination and re-determination process, including use of SPAPs as contractors of the SSA and/or Medicaid



Asset Determinations

- The Medicare Modernization Act should be amended to eliminate the asset test for determining low-income subsidy eligibility
- Until an amendment is signed into law, states should be permitted the same flexibility to determine assets as they do with the Medicare Savings Program
- Until an amendment is signed into law, CMS should eliminate life insurance policies and clarify that vehicles are not assets
- CMS should determine the applicability of the asset test based on a cost-benefit analysis



Marketing Materials

- A PDP sponsor's marketing materials and forms should include information about coordination of benefits with SPAPs
- Marketing materials should also be available in other languages as appropriate



Automatic Enrollment

- SPAPs should be considered authorized representatives of their beneficiaries for purposes of applying for assistance and enrolling in plans
- SPAPs should be permitted to select one or more preferred plans, with an opt-out provision
- SPAPs should be allowed to enroll members into one or more preferred plans and pay premiums on behalf of their beneficiaries



SPAP Endorsement of Preferred Plan(s)

- CMS should permit SPAPs to endorse a preferred plan(s)
 - Simplifies choices to SPAP beneficiaries and encourage enrollment
 - Allows States to obtain the best value; encourages continued participation
 - Improves COB; relieves the need to regulate COB



Non-Discrimination

- The opt-out provision protects beneficiaries' free choice of plans
- The non-discrimination provision in statute should be satisfied if SPAPs agree to pay an equal actuarial value for their members in all plans, not just a preferred plan



Low-Income Subsidy

- Risk adjustment methodology must assure PDP sponsors of adequate reimbursement for low-income population, recognizing:
 - Morbidity/utilization
 - Enhanced benefits
 - Induced demand
- Short-term incentive for PDP sponsors to enroll low-income persons



Premium Payments

- SPAPs that pay Part D premiums on behalf of their members want to do so up front
- There needs to be an automated premium buy-in system in place before January 1, 2006



Late Enrollment Penalties

- The minimum late enrollment penalty should apply to SPAPs that pay premium costs, including late fee penalties, on behalf of their beneficiaries
- Late enrollment penalty should be waived for SPAP members during the first year

Drug Coverage and Service Delivery





Network Design

- CMS should count only preferred pharmacies as part of a plan's network for the purpose of determining whether a plan meets CMS' access standards
- CMS should require PDP sponsors to solicit any willing long-term care pharmacy in their region to join their network
- CMS should more broadly define "long-term care facility" to include ICFs/MR, ICFs/DD, assisted living and other supportive housing facilities



Mail Order

- CMS should ensure that the cost differential paid for extended supplies purchased at a retail pharmacy count toward the TrOOP
- CMS should encourage PDP sponsors to have an exception process for seniors who have insecure mail boxes so that the cost differential between mail order and extended supply at retail is waived



Multiple Residences and Travel

- CMS should require PDP sponsors to notify SPAPs of any disenrollment or enrollment changes of their members
- CMS should require PDP sponsors to clearly communicate their traveler benefits to members and SPAPs



Formulary Issues

- CMS should establish metrics for initial formulary review (e.g., 90% rule)
- Risk of SPAPs not coordinating benefits or wrapping around inadequate formularies
- CMS should establish transition rules during early implementation to ensure continuity of care
- CMS should reserve authority to review formulary changes to assure continued compliance



Formulary Issues (cont.)

- Enrollees should be protected from adverse clinical outcomes from mid-year formulary changes:
 - Mid-year deletions
 - Grandfather existing patients
 - 90-day notice
- Mid-year changes affect the SPAP's ability to coordinate benefits
- The Commission agrees with CMS that certain populations' needs for continuity of care trumps formulary design



Denials and Appeals

- CMS should recognize SPAPs' authority to encourage enrollees to choose plans that will minimize the likelihood of benefit denial
- SPAPs should be able to appeal
- Pharmacists and physicians should be able to appeal
- Exceptions and appeals process options to reduce SPAP liability and patient risk
- Written denial notices specifying reasons for denial and appeal rights



Denials and Appeals (cont.)

- Time frames for initial determination should be two days
- Initial denials should be considered coverage determinations and exceptions should be considered re-determinations
- Appeal rights should reflect likely duration of use
- Non-formulary drugs approved on appeal should carry the copay of the plan's preferred drug



Beneficiary Education

- CMS should designate SPAPs to be the primary education/outreach agent for Part D with respect to SPAP enrollments
- PDP sponsor communications to SPAP enrollees needs to be coordinated with SPAPs. Toward this end, CMS needs to permit more flexibility to PDPs in the development of outreach materials.



Program Evaluation and Assessment

- Evaluation of Part D should include evaluation of the impact on SPAPs and their beneficiaries
 - Access
 - Utilization
 - Claims denials
 - Satisfaction
- Baseline measurement followed by quarterly system measures
- Metrics broken down by PDP/MA-PD



Program Redesign and Part D Coordination

- CMS should clarify that assistance can apply to premiums for basic, basic alternative or basic enhanced coverage
- CMS should clarify that all cost sharing paid for through an SPAP premium should count toward TrOOP
- CMS should establish Federal base premiums for SPAPs to use in buying supplemental coverage
- Customized supplemental coverage

Coordination of Benefits





Centralized Data System

- CMS should establish a centralized data system that will:
 - Collect accurate coverage information
 - Provide up-to-date coverage information for each beneficiary to all parties
 - Support real-time coordination of benefits
- SPAP would routinely exchange enrollee information



TrOOP Tracking

- The centralized data system will allow the part D plans to know who their SPAP enrollees are and to track TrOOP in real-time
 - Avoiding additional burden on beneficiaries
 - Efficiencies and technology well established in the pharmacy industry



Technical Advisory Committee

- Should be established to last beyond the initial implementation of Part D
- Would provide recommendations and develop requirements for a reliable, efficient, recipient-friendly electronic system of COB



PDP Sponsor Requirement

- PDP sponsors should be required to coordinate benefits with SPAPs
- CMS should establish clear guidelines and requirements for this coordination



Recommended COB Guidelines

- NCPDP ID Card Standards
- Universal Payer ID
- Payer-to-payer transmissions
- Retroactive recovery process
- PDP sponsor claim response informs pharmacy of SPAP coverage
- SPAPs should not have to pay PDP sponsors for the COB required by law



Education of Beneficiaries, Prescribers and Pharmacies

- CMS should fund, develop and deliver education programs to facilitate understanding of program operation for:
 - Beneficiaries
 - Prescribers
 - Pharmacists
- CMS should facilitate the coordination of communication among stakeholders



Miscellaneous Recommendations

- CMS should form an SPAP advisory committee
- CMS should not allow involuntary disenrollment from PDPs for disruptive behavior
 - If this policy isn't changed, there needs to be an appeals process
- “Institutionalized duals,” for purposes of copay relief, should be broadly defined
- SPAPs need ongoing communication with SSA



Unresolved Issues

- CMS should anticipate the critical role that pharmacists may play in counseling beneficiaries regarding clinical concerns in their choice of plans
- SPAPs should have the option to act as a PDP for SPAP members

The End

